

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON TRANSPORTATION

Call to Order: By **CHAIRMAN ROGER SOMERVILLE**, on March 12, 2001
at 3:00 P.M., in Room 472 Capitol.

ROLL CALL

Members Present:

Rep. Roger Somerville, Chairman (R)
Rep. Sylvia Bookout-Reinicke, Vice Chairman (R)
Rep. Carol C. Juneau, Vice Chairman (D)
Rep. Darrel Adams (R)
Rep. Joe Balyeat (R)
Rep. Ronald Devlin (R)
Rep. Dave Gallik (D)
Rep. Steven Gallus (D)
Rep. George Golie (D)
Rep. Donald L. Hedges (R)
Rep. Jim Keane (D)
Rep. Gary Matthews (D)
Rep. William Price (R)
Rep. Allen Rome (R)
Rep. Frank Smith (D)
Rep. Donald Steinbeisser (R)
Rep. Karl Waitschies (R)

Members Excused: Rep. Debby Barrett (R)

Members Absent: None.

Staff Present: Donna Huffman, Committee Secretary
Leanne Kurtz, Legislative Branch

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 237, SB 320, SJR 11,
03/12/01.

Executive Action: SJR 11, SB 237.

HEARING ON SB 237

Sponsor: Senator Mack Cole, SD 4.

Proponents: Ben Havdahl, Executive Consultant for Multi-state Highway Transportation Agreement; Barry Stang, Montana Motor Carriers Association; Dave Galt, Director of Montana Department of Transportation.

Opponents: none.

Informational Witnesses: none.

Opening Statement by Sponsor:

Senator Cole said this bill amends the statutes enacted by the 1981 session, that entered Montana into a reciprocal statutory agreement with 10 other Western states. The Multi-state Highway Transportation Agreement, MHTA, recognized unique transportation challenges faced by rural Western states. It was intended to improve communications between State Legislators, State Administrators and Private Industry. The MHTA Governing body contracted with the National Conference of State Legislatures to give them legal advise and council in the future acts of the MHTA, including the suggested amendments reflected in SB 237.

Proponents' Testimony:

{Tape : 1; Side : A; Approx. Time Counter : 5}

Ben Havdahl said, "last year, the MHTA "Cooperating Committee," the governance body of the agreement, contracted with the National Conference of State Legislatures to perform a governance study and make recommendations. The study reviewed the practical and legal issues relating to the agreement and provided guiding principles for future action together with amendments to the 10 state statutes. The NCSL report was adopted for implementation by the Cooperating Committee. The agreed upon amendments to the MHTA statutes by NCSL are reflected in SB 237."

EXHIBIT(trh56a01). He also handed out a pamphlet explaining what MHTA is. **EXHIBIT(trh56a02)**.

Barry Stang said MMCA supports SB 237. **EXHIBIT(trh56a03)**.

Dave Galt said MDOT supports SB 237.

Opponents' Testimony: none.

Questions from Committee Members and Responses:***{Tape : 1; Side : A; Approx. Time Counter : 15.1}***

Rep. Smith asked **Mr. Havdahl** if any more states are going to be added to MHTA. **Mr. Havdahl** said it is a possibility, the statutes do allow other jurisdictions to pass the legislation and become a member of the MHTA. He said they have been working with North Dakota, South Dakota and California.

Rep. Golie asked **Mr. Galt** what the costs are associated with MHTA. **Mr. Galt** said dues for MHTA are \$5,000 per year, those dues are within the base of the Montana Motor Carrier Services budget. He said they also pay for the travel for one person from MDOT, usually the Motor Carrier Services Administrator, to two meetings and also pay for the travel for one Legislator to two meetings. Depending on where those meetings are, it could be another \$5,000.

Closing by Sponsor:***{Tape : 1; Side : A; Approx. Time Counter : 23}***

Senator Cole said it would be beneficial to get these amendments current and making sure that the states do have the right that they are not being corrected or mandated by the Federal Government.

HEARING ON SB 320

Sponsor: Senator Sam Kitzenberg, SD 48.

Proponents: Bob Stephens, Montana Grain Growers Association and Montana Women in Farm Economics, WIFE; Nancy Schlepp, Montana Farm Bureau.

Opponents: none.

Informational Witnesses: Dave Galt, Director of Montana Department of Transportation.

Opening Statement by Sponsor:

Senator Kitzenberg said this bill is one of three attempts to implement the state's ethanol policy since 1991. This bill would require the Montana Department of Administration to purchase 10

cars, (5 each year of the biennium), that use ethanol to use on a trial basis, to see how they perform. This also requires the Department of Transportation to report to the Legislature in two years and also to provide an effective date and a termination date of this test.

Proponents' Testimony:

Bob Stephens said they support SB 320.

{Tape : 1; Side : A; Approx. Time Counter : 26.6}

Nancy Schlepp said they support SB 320, this bill is economical in creating a stable market for ethanol.

Opponents' Testimony: none.

Informational Witnesses' Testimony:

Dave Galt said they agreed and support SB 320. He said the Department of Transportation ordered 5 alternative fuel vehicles for this year.

Questions from Committee Members and Responses:

Rep. Hedges asked **Senator Kitzenberg** to clarify why the vehicles are being assigned to the Department of Transportation's Motor Pool, in referring to Page 2, Line 6 of the bill. **Senator Kitzenberg** said for the purposes of an evaluation for a future report on vehicles that use ethanol.

Rep. Gallus said to **Mr. Galt** in referring to the Fiscal Note for the bill, the state will purchase 21 vehicles per year that could be powered by renewable fuels, including E-85. He asked if the state is already buying 21 vehicles, why are they mandating to buy 10 vehicles. **Mr. Galt** said, in the bill, on the Senate side, the number of vehicles was reduced from 21 to 10. He said MDOT's ordering cycle is now, so they have already ordered the first 5 vehicles.

Rep. Gallik asked **John Blacker, Administrator of the Maintenance Division of MDOT**, how many cars are ordered per year. **John Blacker** said, in the Motor Pool and the Highway Department, they replace approximately 150 vehicles annually. The Motor Pool has about 750 vehicles and they replace them about every 4 or 5 years.

{Tape : 1; Side : B; Approx. Time Counter : 3.6}

Rep. Waitschies asked **Senator Kitzenberg**, in Montana, where can E-85 be purchased. **Senator Kitzenberg** said in there is a station in Helena, and most Cenex stations. He has a bill coming up that offers an incentive of \$500 a pump to have a station put in E-85 in one of their pumps. He said that bill will maybe bring on around 150 stations.

Chairman Somerville said to **Senator Kitzenberg** to clarify if it was correct, that a normal car could not use E-85, that they could only use the 10% mix. **Senator Kitzenberg** said that is correct.

Rep. Smith asked **Senator Kitzenberg** if there has been a problem in getting this fuel. **Senator Kitzenberg** said there has been a problem in getting fuel in Montana, because there is no ethanol plant yet, but they have been able to get fuel from Canada.

Rep. Juneau asked **Mr. Blacker**, on Page 2 of the Fiscal Note, E-85 fuel is approximately .35 cents higher than gasoline purchased in the state bulk fuel contract. She asked if it was .35 cents higher per gallon for any person buying the fuel. **Mr. Blacker** said that is the difference in the retail price that a person would pay and our price of purchasing our bulk fuel through the Department of Transportation.

Chairman Somerville asked **Senator Kitzenberg** where the current ethanol fuel that is used in Montana comes from. **Senator Kitzenberg** said it comes from Moose Jaw, Canada.

Chairman Somerville asked **Senator Kitzenberg** if he would be opposed to an amendment on the bill stating this would be in effect after we have an ethanol producing plant in Montana. **Senator Kitzenberg** said there wouldn't need to be an amendment on the bill as ex-Governor Babcock is very close to starting a plant in Great Falls. The whole idea behind this bill is to support the economy in Montana.

Closing by Sponsor:

Senator Kitzenberg said this is one of three bills that they are trying to make ethanol a reality. An E-85 vehicle starts quicker, promotes cleaner air so there is less pollution, and the car engine runs better and cleaner. This will help to improve the Montana economy.

HEARING ON SJR 11

Sponsor: Senator Jon Tester, SD 45.

Proponents: Barry Stang, Montana Motor Carriers Association; Ronna Christman, Montana Petroleum Marketers Association; Dave Galt, Director of Montana Department of Transportation; Nancy Schlepp, Montana Farm Bureau.

Opponents: none.

Informational Witnesses: none.

Opening Statement by Sponsor:

{Tape : 1; Side : B; Approx. Time Counter : 20.7}

Senator Tester said this resolution opposes the Federal Motor Carrier Safety Administration's proposed hours of service regulations. He said current Federal regulations have been introduced to address truck driver fatigue and these new regulations do not do that. The impact of the new regulations also compromises safety by putting less experienced drivers on the road. He spoke about the new rules for exemption for agricultural transporters. The cost benefit for this analysis is incomplete, it needs to account for all the trucking industry.

Proponents' Testimony:

Barry Stang said they support SJR 11. The hours of service are the hours that drivers are allowed to work during a certain time period. These hours not only include the time driving, but also the time spent working on the truck, at loading docks, etc. He said safety on highways is one of the MMCA's top priorities this session and it also sponsors another resolution that deals with a proposal to help improve safety on highways. He handed out information regarding new hours of service rules, **EXHIBIT (trh56a04)**.

Ronna Christman said currently they have 136 members that own and operate bulk trucks. She said there are some parts of the rules they oppose, due to the greater expenses that are going to be incurred if these rules are adopted as they are. She explained how there could be a problem with the Agricultural Exemption. She also spoke about the rules that pre-empt the states from making all the appropriate designations. She said there is no

reason to pre-empt Montana from making their own designations on rules such as these. She said they are in support of SJR 11.

Dave Galt said they had the Motor Carrier Services review these rules when they first came out, and they concluded that it would make enforcement at the roadside difficult if these rules are passed. He said these rules require the applicability of the rules to be broken into five different groups of different kinds of truck drivers. The Department recommends the Federal Motor Carrier Safety Administration start back over with a supplemental rules hearing.

Nancy Schlepp said they support SJR 11.

Opponents' Testimony: none.

Questions from Committee Members and Responses:

{Tape : 2; Side : A; Approx. Time Counter : 0.7}

Chairman Somerville asked **Mr. Galt** if this would also apply to a small contracting firm in Montana. **Mr. Galt** said yes.

Chairman Somerville asked **Mr. Stang**, in referring to agricultural exemption, to explain age limitations for a commercial drivers license if a contractor also was exempt. **Mr. Stang** said currently a person has to be age 21 to have a commercial drivers license to drive interstate. To drive intrastate, a person would have to be 18.

Mr. Stang explained the current rules and proposed rules.

Closing by Sponsor:

{Tape : 2; Side : A; Approx. Time Counter : 6.7}

Senator Tester closed.

EXECUTIVE ACTION ON SJR 11

Motion/Vote: REP. GALLUS moved that SJR 11 BE CONCURRED IN.
Motion carried 18-0.

Rep. Wanzenried will carry to House.

EXECUTIVE ACTION ON SB 237

Motion/Vote: REP. BOOKOUT-REINICKE moved that SB 237 BE CONCURRED IN. Motion carried 18-0.

Rep. Somerville will carry to House.

EXECUTIVE ACTION ON SB 320

Motion: REP. ADAMS moved that SB 320 BE CONCURRED IN.

{Tape : 2; Side : A; Approx. Time Counter : 13.8}

Discussion:

Rep. Gallus asked Mr. Galt if he could estimate how many fuel tax dollars are generated by the sale of E-85. Mr. Galt said he would get those estimated figures for him.

Chairman Somerville expressed concerns about requiring the State of Montana to buy these types of cars without having an operational ethanol plant in Montana.

Rep. Price, Rep. Gallik and Rep. Adams also had concerns about the bill.

Chairman Somerville said executive action will be postponed until Wednesday, March 14, 2001.

ADJOURNMENT

Adjournment: 4:30 P.M.

REP. ROGER SOMERVILLE, Chairman

DONNA HUFFMAN, Secretary

RS/DH

EXHIBIT (trh56aad)